



# CITY COUNCIL

CITY AND COUNTY OF HONOLULU  
HONOLULU, HAWAII

No. 22-245, FD1

Proposed

## RESOLUTION

---

REQUESTING THE CITY ADMINISTRATION TO WORK WITH FIRE SAFETY AND RESIDENTIAL CONDOMINIUM STAKEHOLDERS TO ADDRESS ISSUES RELATING TO THE VIABILITY OF FIRE SAFETY REQUIREMENTS IN EXISTING HIGH-RISE RESIDENTIAL BUILDINGS.

WHEREAS, in the wake of the July 14, 2017, high-rise fire at the Marco Polo condominium in Honolulu, the City and County of Honolulu ("City") enacted ordinances addressing existing high-rise residential buildings that are not protected by automatic fire sprinkler systems; and

WHEREAS, Ordinance 18-14, enacted on May 3, 2018, amended the City Fire Code to require that existing high-rise residential buildings built in Honolulu before 1975 that were not protected by an automatic fire sprinkler system shall be subject to a building fire and life safety evaluation ("LSE") code assessment, which is an assessment of building safety features and fire systems in accordance with the City's Fire Code and Building Code; and

WHEREAS, Ordinance 19-4, enacted on May 2, 2019, among other things, further amended the City Fire Code to clarify that compliance shall be by either installing an automatic fire sprinkler throughout the building or by making improvements to alternate fire prevention and fire safety systems; and

WHEREAS, Ordinance 18-14 and Ordinance 19-4 established time periods and deadlines for residential high-rise buildings to come into compliance with automatic fire sprinkler system installation or alternative fire prevention and fire safety systems improvement requirements; and

WHEREAS, since the enactment of Ordinance 18-14 and Ordinance 19-4, concerns and challenges have been raised by residential high-rise building unit owners regarding the difficulty of achieving compliance with the fire sprinkler retrofit or alternative LSE requirements; and

WHEREAS, in Departmental Communication 575 (2022), dated August 1, 2022, the Honolulu Fire Department ("HFD") reported that out of 275 LSEs received from licensed design professionals, only 20 LSEs received passing or "acceptable" scores, and many of the buildings undergoing the LSE process received low scores in the "vertical openings" and "fire alarm systems" categories; and

WHEREAS, the Permitted Interaction Group Draft Report of the Committee on Public Infrastructure and Technology Relating to Compliance with Fire Safety Ordinances in Residential High-Rise Buildings ("PIG Draft Report"), dated February 11,



# CITY COUNCIL

CITY AND COUNTY OF HONOLULU  
HONOLULU, HAWAII

No. 22-245, FD1

## RESOLUTION

---

2022, reported that some condominium board members and owners have stated that the cost of retrofitting vertical openings or upgrading fire alarm systems in order to achieve an LSE passing score is too steep a financial obligation to undertake within the deadlines specified in the current ordinances; and

WHEREAS, the PIG Draft Report also found that insurance premiums have increased by 30 percent or more because insurance companies impose high premium rates on residential high-rise buildings that lack automatic fire sprinkler systems, and received reports that insurance premiums also increased substantially for residential condominium associations that received a passing LSE score or whose buildings were not covered by Ordinance 19-4; and

WHEREAS, rising insurance costs and rapidly increasing material and labor costs due to inflation and supply chain issues pose unanticipated financial burdens that make compliance with the requirements of Ordinance 18-14 and Ordinance 19-4 unattainable for residents in older high-rise buildings, many of whom are retired and on fixed incomes; and

WHEREAS, given recent natural disaster events and increases in claims and claim payouts made to insurance policy holders, the insurance industry may not be capable of handling such risk; and

WHEREAS, in Committee Report No. 44, dated March 2, 2022, the Committee on Public Infrastructure and Technology found that "the original assumptions and conditions that the Honolulu City Council relied upon to adopt Ordinance 18-14 and Ordinance 19-4 no longer match today's reality"; and

WHEREAS, at the Public Infrastructure and Technology Committee meeting held on October 18, 2022, the Hawai'i Council of Associations of Apartment Owners provided written testimony (Miscellaneous Communication 454 (2022), dated October 18, 2022) stating, among other things, that:

- In January 2022, local insurance companies increased their premiums by 30 to 50 percent for high-rise buildings that did not have fire sprinkler systems, thereby creating financial hardships for many condominium associations;
- In January 2022, Fannie Mae and Freddie Mac issued banks new lending guidelines to limit or refrain from lending to condominiums that have significant deferred maintenance or have received a directive from a regulatory authority or inspection agency to make repairs because of unsafe conditions;



# CITY COUNCIL

CITY AND COUNTY OF HONOLULU  
HONOLULU, HAWAII

No. 22-245, FD1

## RESOLUTION

---

- 255 out of 275 (or 7.2 percent) high-rise residential condominium buildings on O'ahu did not receive passing LSE scores and must undertake repairs and install fire safety equipment or fire sprinkler systems in order to receive passing scores by August 31, 2025; and
- It is unlikely that the DPP will be able to issue building permits in time to allow the affected buildings to complete their necessary repairs or installations by the mandated deadline; and
- Many in the local condominium community believe that the timeline for the implementation of Ordinance 19-4 is not realistic or doable and that further implementation of the ordinance should be suspended or the ordinance should be repealed; and

WHEREAS, in response to the Public Infrastructure and Technology ("PIT") Committee Chair's memorandum (Council Communication 56 (2022), dated February 22, 2022) asking whether the Department of Budget and Fiscal Services' ("BFS") and City Administration's support of the establishment of a financial assistance and grants program relating to Ordinance 19-4 and Ordinance 21-3, BFS (Departmental Communication 203 (2022), dated March 14, 2022), the department responded that the Honolulu Fire Department's total estimated grand total cost of compliance of \$2.2 billion for compliance means that the cost to the City to provide some level of financial assistance support to offset the costs of compliance would be substantial; and

WHEREAS, in response to the PIT Committee Chair's memorandum (Council Communication 324 (2022), dated October 20, 2022 ("CC-324 (2022)")), which requested written responses to the PIT Committee's October 19, 2022 informational briefing and Resolution 22-45, the BFS (Departmental Communication 752 (2022), dated October 21, 2022) stated, among other things:

1. 234 applications have been received for the Automatic Sprinkler Tax Credit established pursuant to Ordinance 18-9 for the purpose of providing real property tax relief for eligible property owners following the installation of an automatic sprinkler system on the owner's property; and that all applications were from the Marco Polo condominium; and
2. Property owners approved for the Automatic Sprinkler Tax Credit will receive the \$2,000 tax credit beginning with Tax Year 2023-24 and until the \$2,000 tax credit is exhausted; and



# CITY COUNCIL

CITY AND COUNTY OF HONOLULU  
HONOLULU, HAWAII

No. 22-245, FD1

## RESOLUTION

---

WHEREAS, in response to the PIT Committee Chair's memorandum CC-324 (2022), the HFD (Departmental Communication 751 (2022), dated October 25, 2022) stated, among other things, that:

1. HFD's Fire Prevention Division has a total of eight fire captains, 23 fire inspectors, and four fire investigators, of which its Code Enforcement team includes three fire captains and twelve fire inspectors tasked with enforcement of the fire safety ordinance; and

Hawaii Revised Statutes Section 132-6 requires all buildings to be inspected by HFD at least once every five years, with HFD's internal goal of conducting inspections of high-rise residential buildings every two years in response to the question regarding the number and frequency of high-rise residential inspections conducted each year; and

2. Funds allocated pursuant to Ordinance 22-13 for two positions in HFD's Fire Prevention Division have not been expended in response to the question requesting a status update on appropriations to augment the Fire Prevention Division's operating budget; and
3. As of August 31, 2022, there were 313 buildings that must comply with Ordinance 22-2, and HFD has received 302 LSEs, of which 281 were not at an acceptable level of safety (i.e., a pass rate of 8.9 percent); and five buildings have been issued a Notice of Violation for not submitting an LSE or letter of intent to install sprinklers in response to the question requesting an update on the number of Life Safety Evaluations received as of August 31, 2022; and

WHEREAS, in response to the PIT Committee Chair's memorandum CC-324 (2022), the Office of Climate Change, Sustainability and Resiliency (Mayor's Message 203 (2022), dated October 25, 2022), stated, among other things, that:

1. Act 183, Session Laws of Hawaii 2022, authorizes a Commercial Property-Assessed Financing ("C-PACE") program in Hawaii that enables commercial property owners to access financing for qualifying improvements on their property and repay the investment through a voluntary assessment akin to a property tax that address critical needs, such as aging cesspools, energy and water efficiency, clean energy generation, and resilience in response to the question requesting a summary of how individual condominium unit owners could be eligible for Act 183 financing assistance; and



# CITY COUNCIL

CITY AND COUNTY OF HONOLULU  
HONOLULU, HAWAII

No. 22-245, FD1

## RESOLUTION

---

The Hawai'i Green Infrastructure Authority ("HGIA") has established a Permitted Interaction Group ("PIG") that has drafted elements of the proposed program, and proposed that fire suppression systems be listed as a qualifying improvement for use of the funding, along with other clean energy, energy efficiency, and resiliency building improvements in response to the question requesting a summary of how individual condominium unit owners could be eligible for Act 183 financing assistance; and

2. When HGIA's program is finalized, the City can better assess the implications on the City's operating budget and operations and the next steps that would be required enable O'ahu-based commercial properties to take advantage of this additional financing in response to the question requesting an outline of the steps that the City would have to undertake in order to utilize the C-PACE financing program; and

WHEREAS, the Council believes it is critical to consider revising or repealing Ordinance 18-14 and Ordinance 19-4 to address issues relating to fire safety in existing high-rise residential buildings; now, therefore,

BE IT RESOLVED by the Council of the City and County of Honolulu that the City Administration is requested to work with the City Council, the State Insurance Commissioner, the State Hawai'i Green Infrastructure Authority, the Hawai'i Council of Community Associations, the Hawai'i Chapter of the Community Associations Institute, and State legislators and appropriate fire safety and residential condominium stakeholders to develop solutions relating to the viability of fire safety requirements in existing high-rise residential buildings by December 31, 2022, in preparation for legislative and/or state or county actions in 2023; and



# CITY COUNCIL

CITY AND COUNTY OF HONOLULU  
HONOLULU, HAWAII

No. 22-245, FD1

## RESOLUTION

BE IT FINALLY RESOLVED that copies of this resolution be transmitted to the Mayor, the Managing Director, the Fire Chief, the Executive Director and Chief Resilience Officer of the Office of Climate Change, Sustainability and Resiliency, the Insurance Commissioner, the Hawai'i Green Infrastructure Authority, Hawai'i State Legislature, the Hawai'i Council of Community Associations, the Hawai'i Life and Disability Insurance Guaranty Association, and the Hawai'i Chapter of the Community Associations Institute.

INTRODUCED BY:

Carol Fukunaga

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

DATE OF INTRODUCTION:

\_\_\_\_\_

\_\_\_\_\_

October 13, 2022  
Honolulu, Hawai'i

\_\_\_\_\_

Councilmembers